



San Bernardino LAFCO Fiscal Indicators

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City of Hesperia

Report Created:11/3/2016

The City of Hesperia actively provides the full range of municipal services except for law enforcement, fire protection, retail water, and wastewater collection and treatment. The City has chosen to contract with the County for law enforcement services. The Hesperia Fire Protection District and Hesperia Water District (retail water and wastewater collection) are subsidiary districts of the City, the city council is the ex-officio board of directors of the districts (links below). The City operates with governmental funds and reports two major business-type funds: water operations and sewer operations. Redevelopment activities have been removed for all years to normalize for the dissolution of redevelopment agencies effective February 1, 2012.

[Hesperia Fire Protection District](#)

[Hesperia Water District](#)



City of Hesperia

Report Created:11/3/2016

Change in Assessed Value

Description

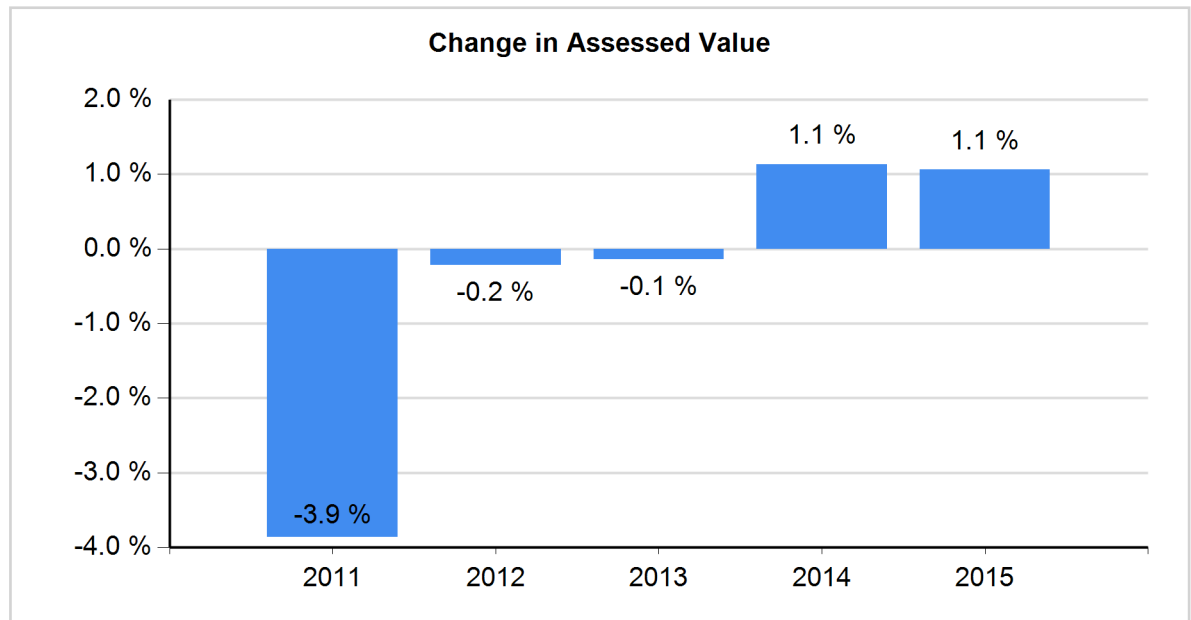
There is a correlation between assessed property value and the receipt of the general property tax levy.

Formula:

change in tax roll
value/beginning tax
roll value

Source:

County Auditor -
Agency Net
Valuations



2011	2012	2013	2014	2015
(\$86,639,766)	(\$4,797,296)	(\$3,128,127)	\$25,534,765	\$24,196,847
\$2,244,134,704	\$2,239,337,408	\$2,236,209,281	\$2,261,744,046	\$2,285,940,893
-3.9%	-0.2%	-0.1%	1.1%	1.1%

Agency Response



City of Hesperia

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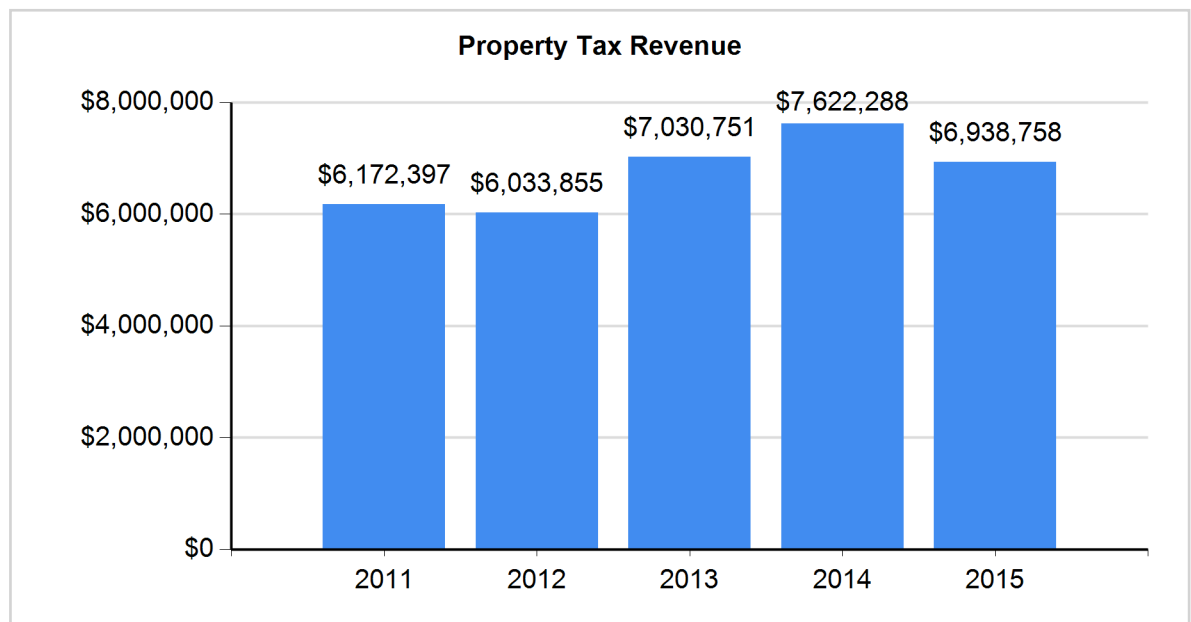
Property Tax Revenue

Description

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As this revenue source is relatively stable and lags about two years behind changes in market conditions, this indicator can potentially depict the level of stability of an agency's revenue base.

Formula:
property tax revenue

Source:
Statement of
Activities; Statement
of Revenues,
Expenditures and
Changes in Fund
Balance/Net Position



Agency Response



City of Hesperia

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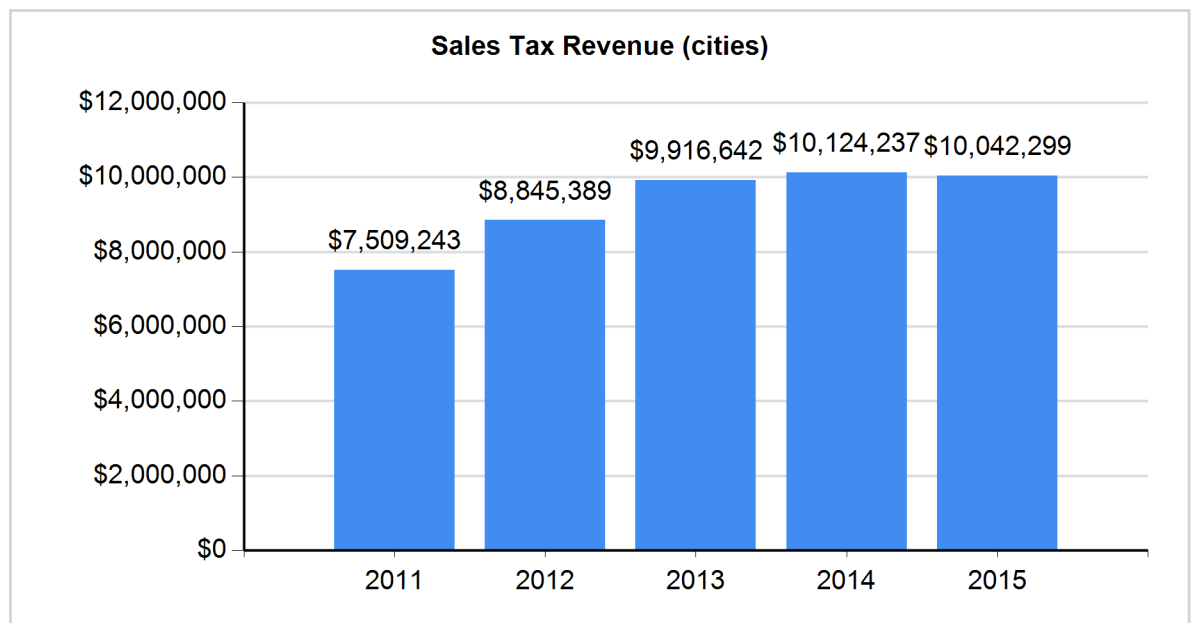
Sales Tax Revenue (cities)

Description

This indicator can help agencies determine the levels of sales tax revenue that are more sensitive to changes in the economic conditions, possibly impacting their abilities to fund and provide services.

Formula:
sales tax revenue

Source:
Statement of
Activities



Agency Response



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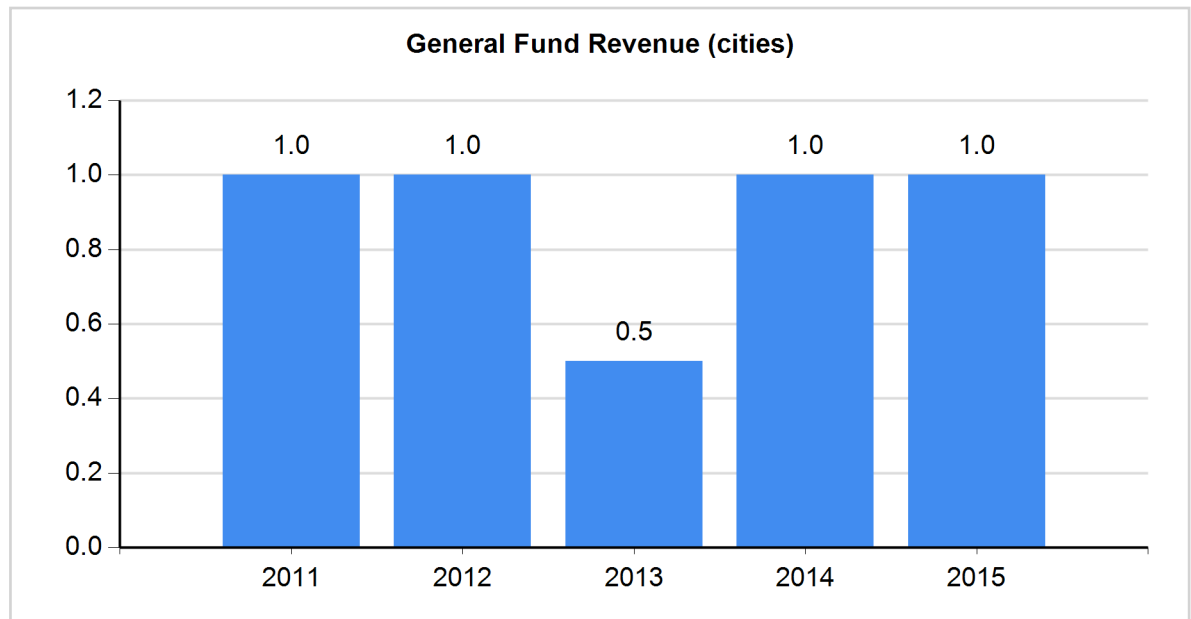
General Fund Revenue (cities)

Description

In most cases, as the percentage of general revenues decreases, a local government loses its ability to respond to changing conditions and to citizens' needs and demands. Decreases in general revenue may also indicate over-dependence on external revenues which are often restricted in nature and could signal future difficulty in maintaining service levels. A ratio of one or higher indicates that the service is self-supporting.

Formula:
general fund
revenue/general fund
expenditures

Source:
Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



2011	2012	2013	2014	2015
\$22,101,157	\$23,137,495	\$24,412,996	\$27,059,809	\$27,265,663
\$22,183,634	\$23,438,026	\$53,376,566	\$25,850,973	\$28,045,003
1.0	1.0	0.5	1.0	1.0

Agency Response



City of Hesperia

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Charges for Service (business)

Description

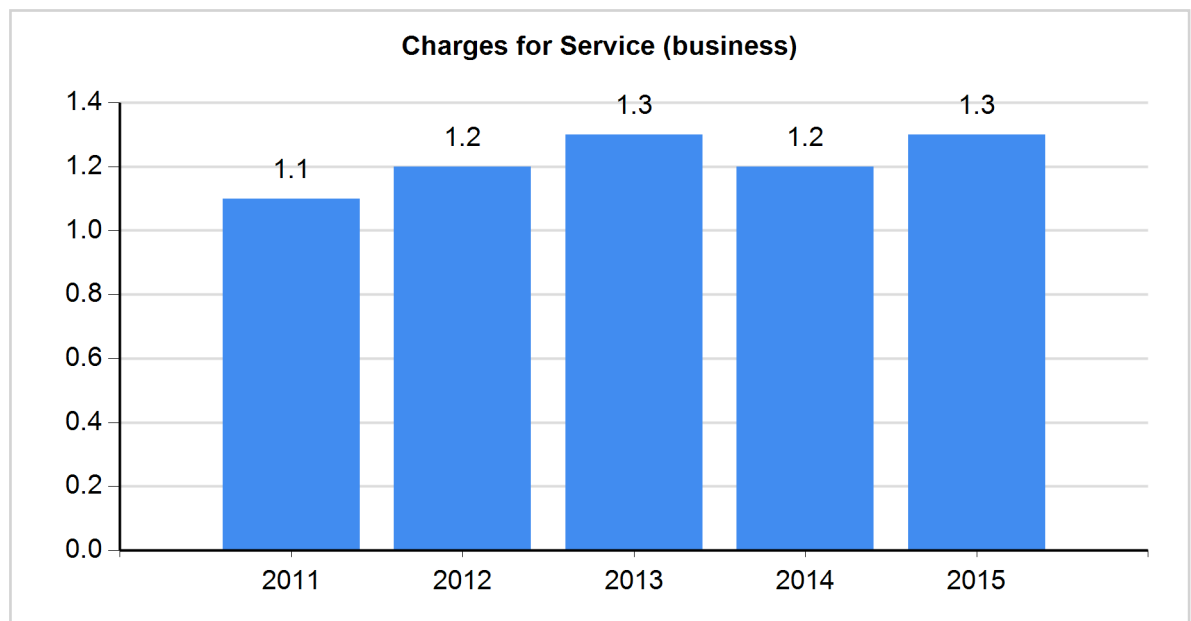
Addresses the extent to which charges for service covered total expenses. A ratio of one or higher indicates that the service is self-supporting.

Formula:

charges for
service/operating
expenses (minus
depreciation)

Source:

Statement of
Activities; Statement
of Cash Flows



2011	2012	2013	2014	2015
\$19,134,211	\$19,560,078	\$20,163,627	\$19,756,973	\$19,391,607
\$17,984,711	\$16,045,278	\$15,765,540	\$17,098,257	\$15,484,093
1.1	1.2	1.3	1.2	1.3

Agency Response



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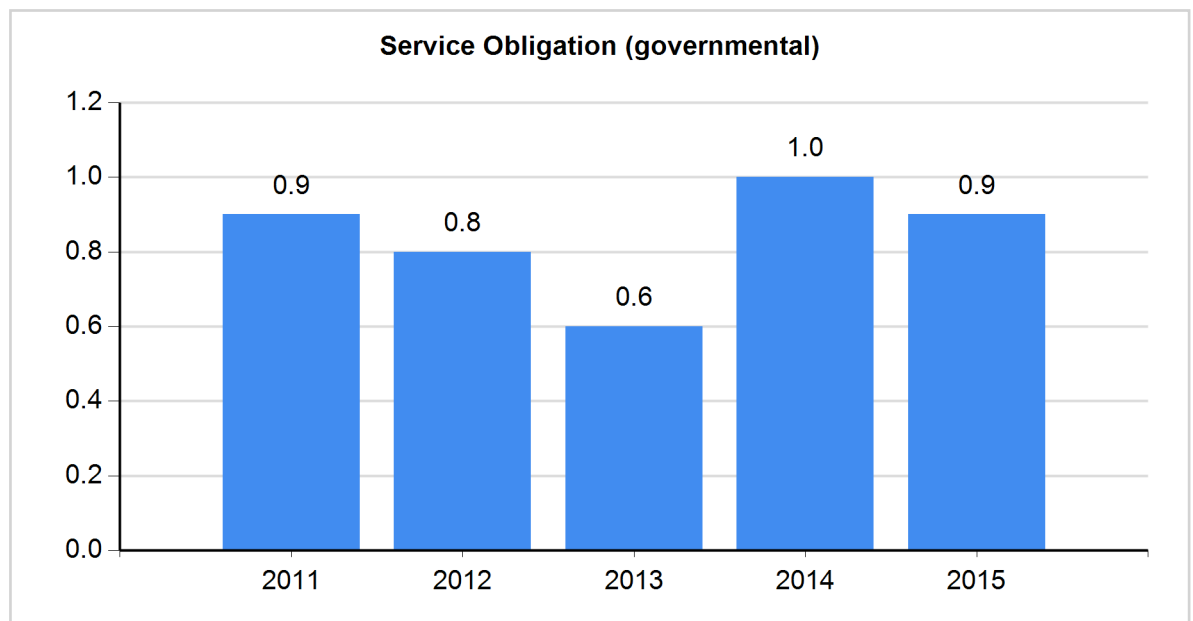
Service Obligation (governmental)

Description

Measures whether or not a government's annual revenues were sufficient to pay for annual operations. A ratio of one or higher indicates that a government lived within its annual revenues.

Formula:
$$\frac{\text{operating revenue}}{\text{operating expenditures}}$$

Source:
Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



2011	2012	2013	2014	2015
\$38,842,775	\$54,964,609	\$52,114,250	\$49,612,446	\$47,200,036
\$43,903,114	\$71,030,642	\$86,619,461	\$50,907,871	\$50,485,512
0.9	0.8	0.6	1.0	0.9

Agency Response



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Liquidity

Description

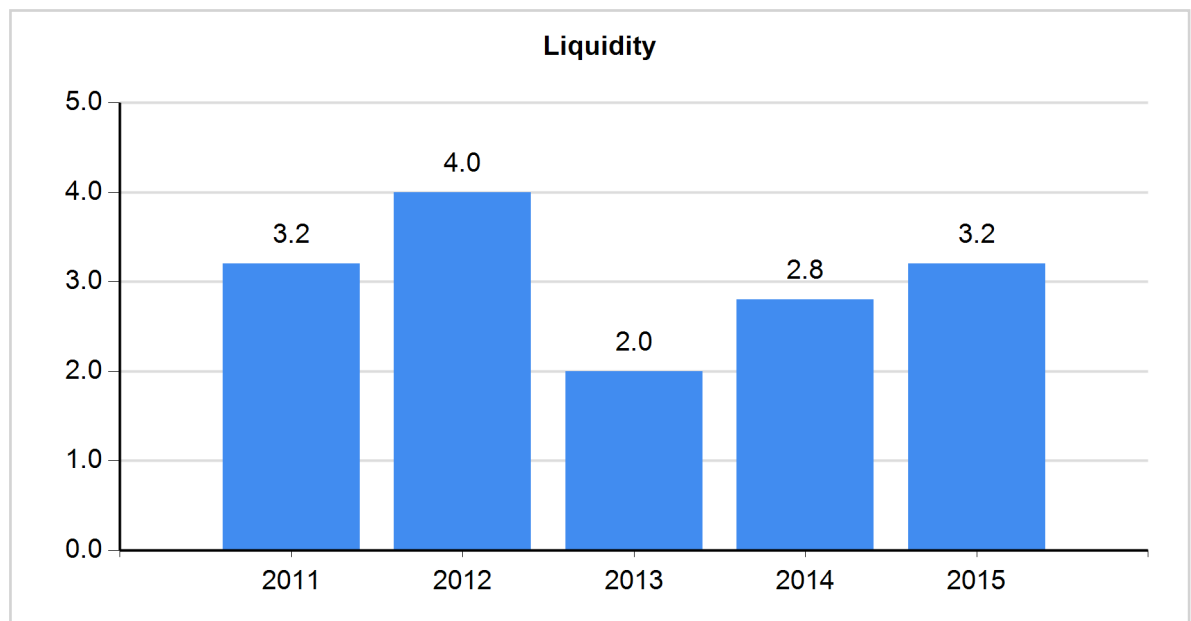
Measures a government's ability to meet its short-term obligations. A high ratio suggests a government is able to meet its short-term obligations.

Formula:

cash & investments
(does not include
fiscal agents,
restricted, or
fiduciary)/current
liabilities

Source:

Statement of Net
Position



2011	2012	2013	2014	2015
\$71,068,080	\$54,476,587	\$45,966,822	\$40,131,003	\$39,415,374
\$22,190,697	\$13,688,890	\$23,089,979	\$14,199,152	\$12,466,178
3.2	4.0	2.0	2.8	3.2

Agency Response

The cash and investments used in the calculation include RDA balances. These RDA cash balances decreased from 2009 to 2010 by \$34 million due to \$30 million of bond financed expenditures paid from cash during 2010 that were reimbursed from bank held bond cash in 2011. Also, in 2010 the governmental activity loaned \$6 million to the business activity which further explains the cash decrease from 2009 to 2010.



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Change in Cash and Cash Equivalents (business)

Description

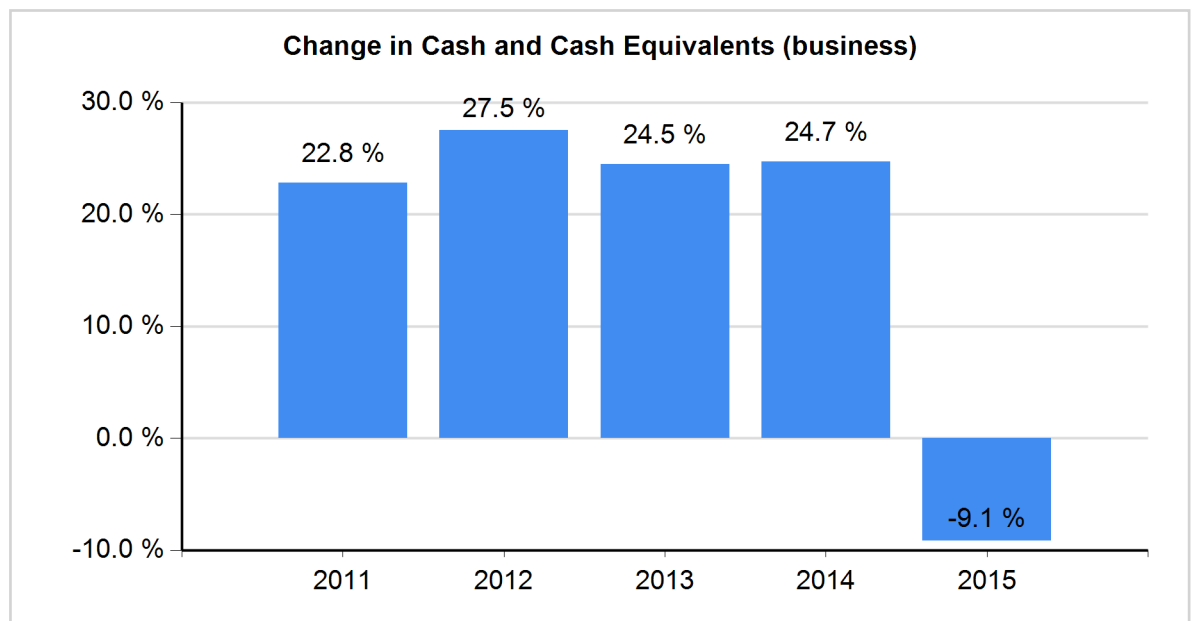
Cash and cash equivalents are the most liquid assets of an agency's assets and can be readily converted into cash. A positive percent change indicates that a government's cash position has improved.

Formula:

change in cash &
cash
equivalents/begin
cash & cash
equivalents

Source:

Statement of Cash
Flows



2011	2012	2013	2014	2015
\$643,390	\$952,984	\$1,080,964	\$1,359,792	(\$625,534)
\$2,817,573	\$3,460,963	\$4,413,947	\$5,494,911	\$6,854,703
22.8%	27.5%	24.5%	24.7%	-9.1%

Agency Response

The 55.6% decrease for 2008 and the 88.4% decrease for 2009 represent capital improvement expenses made to the Hesperia Water District's (business) infrastructure. The 95.3% increase for 2010 reflects a loan to the Hesperia Water District (business) received to fund capital improvements. This loan was fully repaid July 1, 2014.



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Debt Service (governmental)

Description

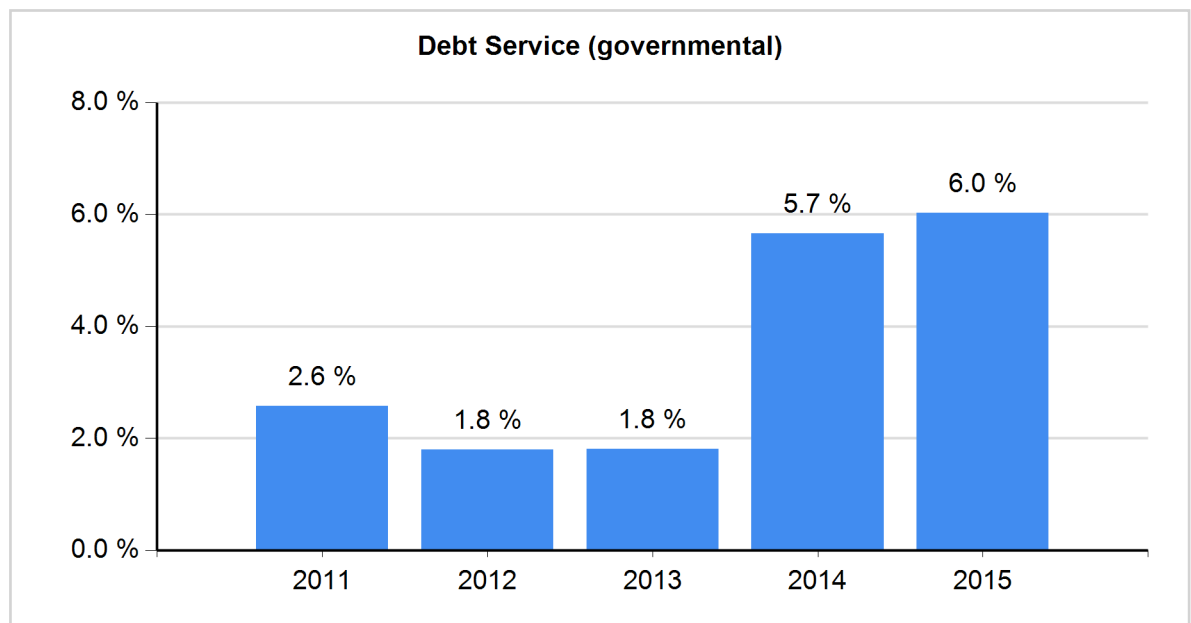
Looks at service flexibility by determining the amount of total expenditures committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service.

Formula:

debt
service/operating
expenditures

Source:

Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



2011	2012	2013	2014	2015
\$1,134,252	\$1,275,703	\$1,570,722	\$2,879,686	\$3,044,244
\$43,903,114	\$71,030,642	\$86,619,461	\$50,907,871	\$50,485,512
2.6%	1.8%	1.8%	5.7%	6.0%

Agency Response

The \$6.3 million in 2008 is the governmental debt service that represents a \$4 million pay down of the Civic Plaza debt and a \$0.8 million additional payment toward the 2004 Streets debt.



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Debt Service (business)

Description

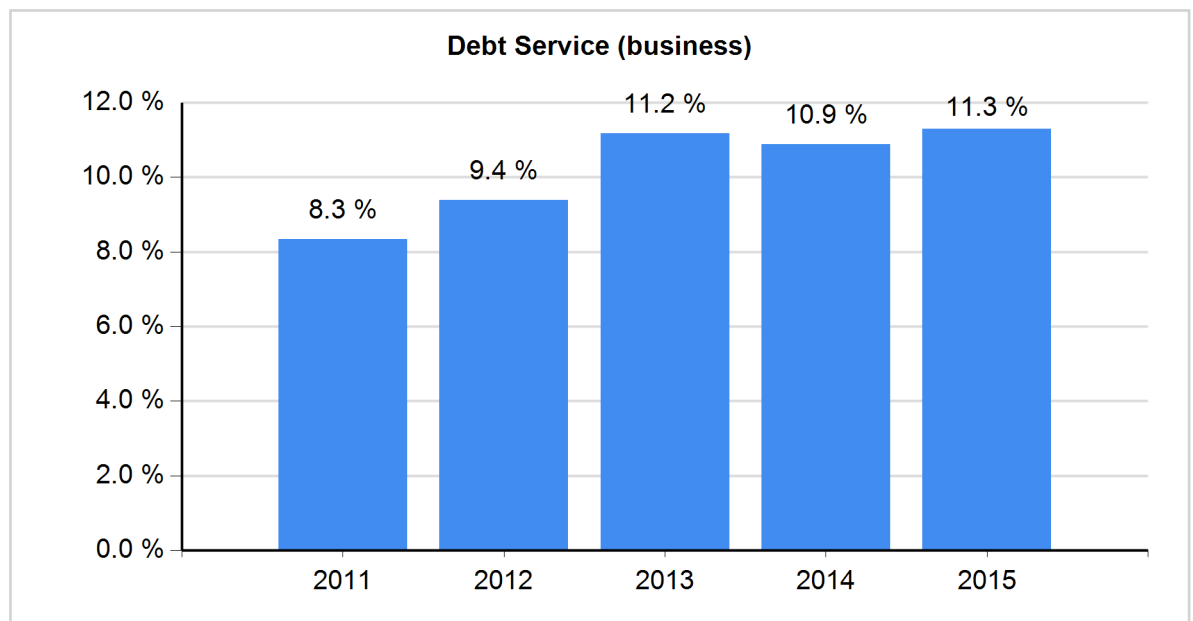
Looks at service flexibility by determining the amount of total expenses committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service.

Formula:

debt
service/operating
expenses (minus
depreciation)

Source:

Statement of Cash
Flows; Statement of
Activities



2011	2012	2013	2014	2015
\$1,499,365	\$1,505,516	\$1,761,980	\$1,860,628	\$1,747,775
\$17,984,711	\$16,045,278	\$15,765,540	\$17,098,257	\$15,484,093
8.3%	9.4%	11.2%	10.9%	11.3%

Agency Response



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Pension Payments

Description

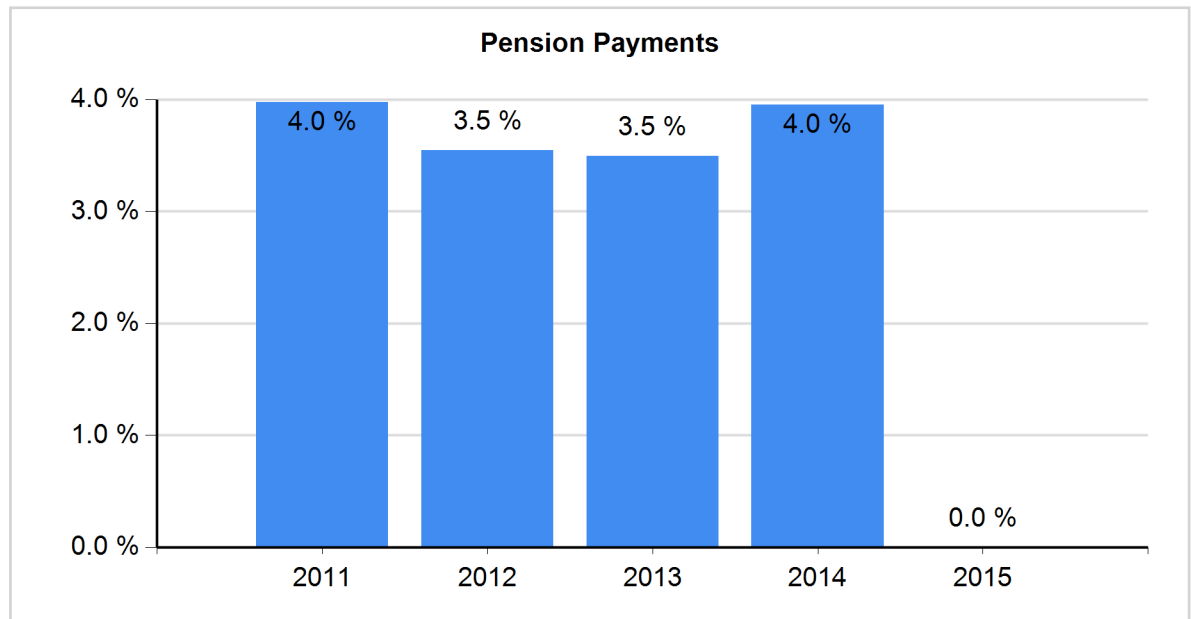
This indicator depicts the relationship between the pension payments as a percentage of an agency's total revenues. Due to pending updates to pension reporting requirements, the Pension Payments indicator does not show data for 2015. GASB 68 revised and established new financial reporting for pensions effective for 2015. Effective beginning 2017, GASB 73 and GASB 82 amend GASB 68, although implementation may occur earlier. Therefore, updates to the Pension Payments indicator will not occur until full implementation of GASB 73 and GASB 82.

Formula:

annual pension
cost/total revenue

Source:

Notes; Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



2011	2012	2013	2014	2015
\$2,345,276	\$2,679,266	\$2,573,829	\$2,784,817	-
\$58,964,124	\$75,530,181	\$73,667,605	\$70,406,094	\$67,649,252
4.0%	3.5%	3.5%	4.0%	0.0%

Agency Response



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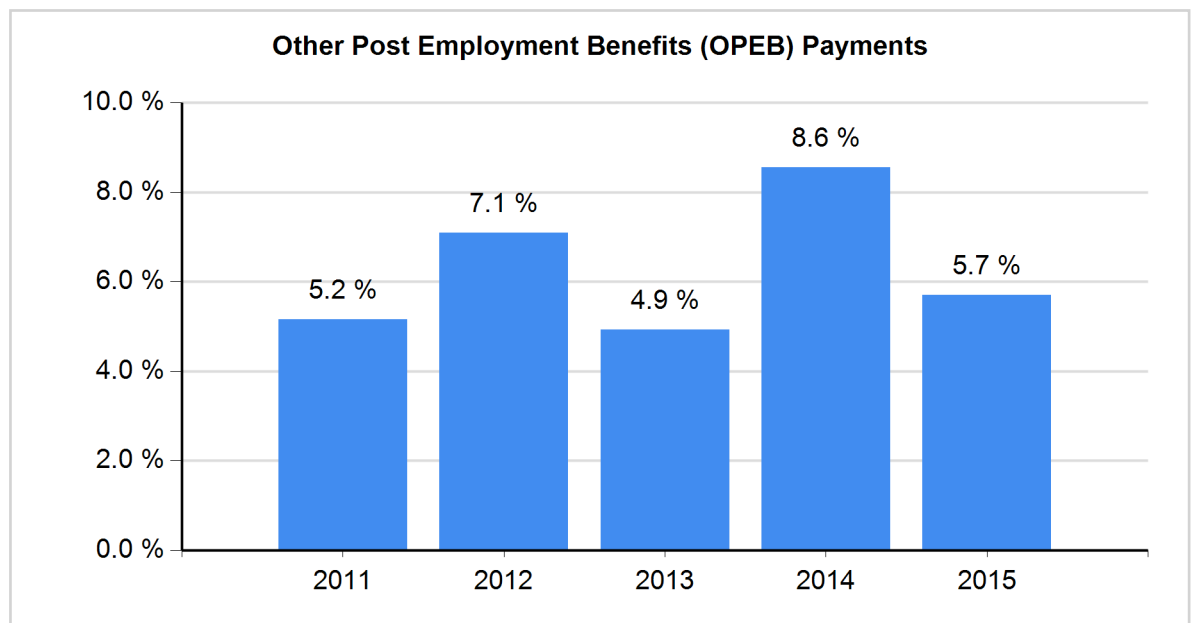
Other Post Employment Benefits (OPEB) Payments

Description

Monitors whether the agency is able to pay or is paying the amount required to fund the OPEB system as determined by its actuary.

Formula:
OPEB
payments/OPEB
annual cost

Source:
Notes



2011	2012	2013	2014	2015
\$21,000	\$31,000	\$21,000	\$39,000	\$28,000
\$407,000	\$436,872	\$426,000	\$456,000	\$491,000
5.2%	7.1%	4.9%	8.6%	5.7%

Agency Response